

## HOLISTIC EFFECT OF UNDERSTANDING OF MUDHARABAH FINANCING ACAD AND FINANCIAL REPORTING ASPECT ON INTEREST IN ENTREPRENEURSHIP IN THE SHARIA ECONOMIC CONTEXT

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### ABSTRACT

This study aims to investigate the effect of a holistic understanding of mudharabah financing contracts and aspects of financial statements on entrepreneurial interest in the context of Islamic economics, especially in MSME actors. This research was conducted in the city of Lhokseumawe and used a quantitative descriptive approach involving 62 respondents who were MSMEs receiving assistance and entrepreneurship coaching. The data collection method involved the use of questionnaires, interviews, and literature study. The collected data were analyzed using validity and reliability tests, classical assumption tests, multiple linear regression tests, as well as the F test (simultaneous) and t test (partial). The results showed that only the variable understanding of financial statements (X2) had a significant influence on entrepreneurial interest. This can be seen from the results of multiple linear regression tests which show a significant value of (0.00) or less than the significance level (0.05), which indicates that understanding of financial statements has a positive effect on entrepreneurial interest. Meanwhile, understanding of the mudharabah financing contract (X1) has no significant effect on the interest in entrepreneurship. This can be seen from the results of multiple linear regression testing which shows a significant value of the X1 variable of (0.524) or greater than the significance level (0.05), which indicates that understanding of mudharabah financing agreements does not significantly affect interest in entrepreneurship. This finding contribute to further understanding of the factors that influence the interest in entrepreneurship in the context of Islamic economics, and its implications for the development of SMEs. The results of this study are expected to be the basis for increasing holistic understanding of MSME actors, especially in mudharabah financing contracts and financial reports, as an effort to strengthen entrepreneurial interest in strengthening the Islamic economy.

Keywords: *Holistic, MSME, Mudharabah contract,*

### 1. INTRODUCTION

Based on data from the Central Statistics Agency (BPS) for Lhokseumawe City, there are 2,354 micro, small and medium enterprise units (MSMEs) spread across 4 sub-districts (Central Bureau of Statistics for the City of Lhokseumawe, 2022). However, these conditions have not contributed significantly to people's welfare in increasing income. This is reflected in the evaluation of the achievements of macro development indicators, in which Lhokseumawe City is experiencing a contraction in economic growth and an increase in the poverty rate in 2021. Economic growth in Lhokseumawe City is still low and will experience a contraction in 2020 of -1.80%. In addition, the poverty rate in Lhokseumawe City is experiencing an increasing trend from 10.8% in 2020 to 11.16% in 2021 (Central Bureau of Statistics for the City of Lhokseumawe, 2022).

The current development of sharia accounting practices in Indonesia has shown a good record of growth in various aspects, which can be seen in terms of the number of sharia business units, the number of BPRS and their office networks, as well as the growing amount of financing

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disbursed under sharia principles. This prompted the emergence of PSAK-Syariah which is used as an accounting guideline that can be used by institutions that have Sharia policies in their business activities. PSAK-Syariah consists of several parts, one of which is PSAK-Syariah 105 concerning Mudharabah. Mudharabah itself is an agreement between two parties in which the first party acts as the donor and the second party runs the business.

Until now, mudharabah financing is very popular with the wider community.(CNBC Indonesia, 2021)revealed that Islamic banking products in Indonesia are now increasingly growing into alternative banking products that have been adapted to sharia contracts in accordance with the approval of the National Sharia Council-Majlis Ulama Indonesia (DSN-MUI). As one of the most popular types of sharia bank products, mudharabah financing must be guided by established standards, namely PSAK-105 concerning mudharabah contracts.

Financing refers to the provision of funds or claims made based on an agreement between the financial institution and other parties who are required to return the funds or claims after a certain period of time, with agreed rewards or profit sharing.(Zaidan, 2019). "Sharia-principles financing refers to funds or claims that are considered equivalent to money, which are provided based on an agreement or agreement between the bank and another party, which requires the party being financed to return the funds or claims."

Financing is also defined by(Gem, 2014)as "Financing refers to the provision of funds or claims made based on an agreement between the bank and another party, which is required to return the funds or claims after a certain period of time, with the agreed reward or profit sharing. Meanwhile, according to(Zaidan, 2019)"Financing is an activity of providing money or bills that are equivalent to that, based on an agreement or agreement between the bank and other parties who are financed to return the money after a certain period of time with rewards or profit sharing". The following is the result of a summary of the opinions of experts regarding financing, which can be concluded that financing is an activity that involves providing financial facilities to other parties to support the smooth running of the business or investment that has been planned.

Mudharabah is a type of financing contract in accordance with Islamic law. According to(Wirosa, 2007)"It is an agreement that regulates a type of partnership, in which the first party (shahibul maal) provides funds, and the second party (mudharib) is responsible for managing the business. The results of the operations are shared based on a pre-agreed nisbah (profit sharing portion).

Next according(Gem, 2014)"Mudharabah is a form of cooperation between two partners, in which one partner gives funds to the other partner to invest in a commercial company. The shahibul maal is obliged to provide 100% of the funds to the customer (mudharib) and the mudharib only manages the business that has been determined by the shahibul maal. Profit sharing will be carried out based on the agreement at the beginning of the contract, whereas if there is a loss, it will be borne by the owner of the capital and the manager is also responsible if the loss is caused by the manager(Harianto et al., 2019)."

Another opinion regardingmudharabah is defined by(Fadhila, 2015)"Mudharabah is an agreement between two parties, in which the first party acts as a donor and the second party is responsible for running the business, with profit sharing according to an agreed ratio, and if there is a loss, it will be borne by the capital provider. Another opinion regarding mudharabah is explained by.(Andri Eko Prabowo, 2014)"A Mudharabah is a type of investment contract that prioritizes the trust of the fund owner to the fund manager. Therefore, honesty and openness are very valuable values in the implementation of this contract, because the owner of the funds may not interfere in the operational activities of the sharia entity managed by the mudharib."

From the opinions of the experts above, it can be concluded thatMudharabah is a cooperation contract between two parties, in which the first party provides capital and the other

party acts as a capital manager. If a loss occurs, the owner of the capital will be responsible, unless the loss is caused by negligence on the part of the manager."

Financial reporting is a process of preparing the financial statements of an entity to provide information. According to (Hanafi & Halim, 2009) "Financial reports are information that describes the financial condition of a company, which can be used as an illustration of the company's financial performance (MITA, 2015)" "Financial reports are documents that are prepared to provide information about the financial condition of a company that is useful for the majority of users of these financial statements. A more complete explanation was provided by Gede (in IAI, 2013) "Financial reports are an important tool for business people. Financial reports contain important notes about business activities carried out by an entity in a period. Financial reports also play an important role as a means of communication between business people. (Harianto, 2014)"

Entrepreneurship comes from the basic word entrepreneur which is defined by (Effendi, 2017) "A mental attitude that dares to face risks, thinks progressively, and is able to be independent are factors that enable an entrepreneur to continue to develop in the long term. This mental attitude needs to be instilled and strengthened among Indonesia's younger generation, so they can catch up with other nations in the world."

The definition of entrepreneurship with an emphasis on creating new things was put forward by Efendy (Schumpeter, 2017) "Entrepreneurship is an attempt to do new things or bring innovation to existing things, including creating new products with new qualities, new production methods, entering new markets, managing supply sources, and managing the organization. Schumpeter relates the concept of entrepreneurship to the business context and relates it to the combination of various resources.

From another source, (Zaidan, 2019) "Entrepreneurship is a branch of knowledge that studies the development and development of a spirit of creativity, as well as the courage to face risks in running a business to achieve the desired results."

Entrepreneurial interest is someone's desire to open a business (Zaidan, 2019) "Entrepreneurship is a field of study that focuses on developing and building a spirit of creativity, as well as the courage to face risks in running a business in order to achieve the desired results."

Princess Sumardani (Cashmere, 2019) "Interest in entrepreneurship is a person's attempt to make ends meet independently, without dependence on other people, and always have the belief in success. This is reflected in the attitude of never giving up and continuing to try to learn from the experience of failure." Arguing with the previous opinion according to (Mahanani & Sari, 2018) "Interest in entrepreneurship is a psychological symptom that directs a person's attention and actions to engage in entrepreneurial activities with pleasure because they are considered beneficial to him. Entrepreneurial interest is a desire or interest and individual willingness to entrepreneurial values

In his book (Zaidan, 2019) "From the several opinions above, it can be concluded that the interest in entrepreneurship is an internal drive that encourages someone to start a business and is willing to take risks. Entrepreneurial interest is a desire that arises from within the individual, which then motivates them to open and manage a business.

**2. RESEARCH METHOD**

**2.1.Scope of Research**

This research was conducted in the city of Lhokseumawe. The scope of this study used a quantitative method approach. Research using a quantitative approach is an objective research that includes collecting quantitative data analysis and using statistical testing methods(Azwar, 2005). Quantitative research methods are used to conduct research on a particular population and sample, data collection uses research instruments, data analysis is quantitative or statistical, which aims to test the hypotheses that have been determined. Testing on this type of research uses an application based on SPSS version 22. Scope in this study is the understanding of the Mudharabah Financing Agreement and Financial Statements.

Analysis of the independent variable (X), which consists of understanding the financing contract variablemudharabah and understanding of financial statements on the dependent variable (Y), namely interest in entrepreneurship, uses multiple linear analysis techniques, so that with this technique the hypothesis can be tested which states that there is an influence between the independent variable (X), namely understanding the mudharabah financing contract (X1) and understanding the financial statements (X2) to the dependent variable (Y), namely interest in entrepreneurship.

The data source used in this research is internal data, namely data that comes from within the organization. The type of data used in the research is in the form of primary data and secondary datasecondary. Primary data was obtained from the results of filling out questionnaires by respondents, namely MSME actors in the city of Lhokseumawe.

The sample is part of the characteristics contained in the population which is used to estimate characteristicspopulation. The sampling technique used is Purposive Sampling which is a sampling technique where the object is taken according to the criteria determined by the researcher.

Table 3.1Variable Operational Definitions

Variable	Definition	Indicator	Scale
Understanding of mdharabah financing agreement (X1)	Understanding a mudharabah financing contract is a person's ability to recognize and understand a business cooperation contract between two parties where the first party is the provider of funds and the second party is the fund manager, profits are shared according to the agreement and losses are fully borne by the owner of the capital.(Statement of Financial Accounting Standards No. 105 Mudharabah Accounting, 2007)	<ol style="list-style-type: none"> <li>1. Understand about mudharabah financing</li> <li>2. know the pillars that must be met in mudharabah financing</li> <li>3. know the types of mudharabah</li> <li>4. Understand the distribution of profits in mudharabah</li> <li>5. understand and understand when the mudharabah financing agreement ends</li> </ol>	ordinal
Understanding of Financial Statements	Understanding financial statements is a	<ol style="list-style-type: none"> <li>1. Able to do the preparation of financial</li> </ol>	ordinal

(X2)	person's ability to recognize and understand the summary of financial transactions in one period, which can be used as a tool for communicating entity financial data with interested parties (Zaki Baridwan, 2004)	<ol style="list-style-type: none"> <li>2. Know the types of financial reports.</li> <li>3. know the purpose of the preparation of financial statements</li> <li>4. Understand the information produced from financial reports</li> </ol>	
Interest in Entrepreneurship (Y)	Interest in trying is the ability of individuals who feel interested in the field of entrepreneurship and feel happy to be involved in it so that it will encourage them to carry out these activities without coercion. (Winkel:2004)	<ol style="list-style-type: none"> <li>1. Interest in entrepreneurship</li> <li>2. Utilizing the potential that is owned for entrepreneurship</li> <li>3. Dare to take risks for a profit</li> <li>4. Have a creative and innovative attitude</li> </ol>	ordinal

The data analysis method used in this study is quantitative analysis which is expressed in numbers where the calculations use statistical methods assisted by the SPSS data processing program version 22. With the following equation

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + e$$

Y = dependent variable (Interest in Entrepreneurship)

$\alpha$  = constant regression equation

X1 = Independent Variable (Understanding of Mudharabah Financing Agreement)

X2 = Independent Variable (Understanding of Financial Statements)

e = Error terms

$\beta_1, \beta_2, \beta_n$  = Directional numbers or regression coefficients which show the increase or decrease in the variable based on changes in the independent variables.

Before the multiple linear regression analysis is carried out, it must carry out the classical assumption test requirements which are intended to find out whether the regression model is suitable for use on the variables used in the study so that several tests need to be carried out, namely: Validity according to (Zaidan, 2019)"is the degree of accuracy between the data that actually occurs on the object and the data collected by the researcher to find the validity of an item. If the coefficient between the items and the total items is equal to or above 0.05 then the item is declared valid, but if the correlation value is below 0, 05 then the item is declared invalid"

### 3. RESULTS AND DISCUSSION

Based on table 1 it can be seen that juThere are fewer respondents who are of the male sex, where is the number of respondents 8 men and 54 women.

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No	Gender	Number of Respondents	Percentage
1	Man	8	13%
2	Woman	54	87%
Total		62	100%

Source: Primary data processed (2022)

Each question item is said to be valid if  $r_{count}$  is greater than  $r_{table}$  to find out  $r_{table}$  by using the formula  $r_{table} = (\alpha, n-2)$  based on the product moment table. This validity test is known that  $n = 62$  and  $\alpha = 5\%$  then  $r_{table} (5\%, 62-2) = 0.2500$ .

Based on the results of the validity test on the statement of understanding of the mudharabah financing agreement, it can be seen that all statement items are declared valid because  $r_{count}$  is greater than  $r_{table}$ , namely 0.250. For more details, the results of testing the validity of this variable can be seen in Appendix 1. Next, the researcher tested the validity of the statements of understanding of the financial statements. The following are the results of the validity test that researchers got: the results of the validity test on the statement of understanding of financial statements can be seen that all statement items are declared valid because  $r_{count}$  is greater than  $r_{table}$ , namely 0.250. For more details, the results of testing the validity of this variable can be seen in Appendix 1. Then the researcher tested the validity of the statement points about interest in entrepreneurship.

Based on the results of the validity test on the Desire to Entrepreneurship variable, it can be seen that all statement items are declared valid because  $r_{count}$  is greater than  $r_{table}$ , namely 0.250. Based on the results of all validity tests, it can be concluded that all of the questions, both from understanding the Mudharabah Financing Agreement and the Financial Statements and Entrepreneurial Desire, are declared valid and can be continued in further testing in this study.

### Reliability Test Results

The reliability test in this study was carried out using the Cronbach Alpha method. A research instrument can be said to be reliable if its reliability coefficient or Cronbach Alpha value is  $> 0.6$ . Based on the results of the reliability test using the Cronbach Alpha method, all statement items for each variable, namely Accounting Understanding and Student Entrepreneurial Interests, were declared reliable because the Cronbach alpha value was greater than 0.6. That is, the value of understanding of the mudharabah financing contract is  $0.817 > 0.06$ . Understanding of Financial Statements of  $0.869 > 0.06$ . And Entrepreneurial Desire  $0.863 > 0.06$ . Testnormality is used to test whether the regression model, the dependent variable and the independent variable or both have a normal distribution or not. A good model is data that is normally distributed or close to normal. There are many ways that can be used to detect whether data is normal or not. However, in this study, researchers used a normal p-plot graph and non-parametric Kolmogorov Smirnov (KS) analysis as shown below.

Based on the data processing on the testnormality using the normal p-plot graph method shows that the points spread coincide around the diagonal line, and spread to follow the direction of the diagonal line. From these results it can be said that the data in this study are normal data, but to further strengthen the argument further the researcher conducted a normality test using Kolmogorov Sminov non-parametric analysis as shown in the table below.

Table 4. 4

### 3.1.Data Normality Test Results One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		62
Normal Parameters, b	Means	,0000000
	std. Deviation	1.90687700
Most Extreme Differences	absolute	.081
	Positive	.058
	Negative	-.081
Test Statistics		.081
asympt. Sig. (2-tailed)		,200c,d

Source: Primary data processed (2022)

Testing using this method the data can be said to be normal if the probability value is  $> 0.05$ , then the residuals are normally distributed. It can be seen in table 4.4 that a sig value of 0.200 is obtained, which means it is greater than 0.05. So that it is known that the sig value is  $0.200 > 0.05$ , it can be concluded that the data is normally distributed

### 3.2. Simultaneous Test Results (F test)

Based on the hypothesis testing that has been done, it is known that the Significant value is 0.00 and Fcount is 30.744 while the Ftable is 3.15 which is obtained from the distribution of Ftable values obtained using the formula  $F_{table} = (k; nk)$  where the value  $k = 3$  and  $n = 62$ . From these results it can be seen that the significant value is  $< 0.05$  and the Fcount value is much greater than the Ftable value, so it can be concluded that the hypothesis  $H_0$  is rejected and  $H_a$  is accepted. Which means that "simultaneously there is a significant relationship between the influence of understanding of the mudharabah financing contract (X1) and financial statements (X2) on the desire to do business (Y)".

### 3.3.Determination Coefficient Test Results

The coefficient of determination is a test conducted to determine the magnitude of the independent variable's contribution to the dependent variable, or to determine the magnitude of the influence of Understanding of Mudharabah Financing Contracts (X) and Understanding of Financial Statements (X2) on Entrepreneurial Desire (Y) in multiple linear regression analysis. The results of the coefficient of determination test can be seen in Table 4.5

Table 4. 5

### 3.4. Result of Determination Coefficient Test

#### Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,714a	,510	,494	1,939

a. Predictors: (Constant), P\_MUDHARABAH,P\_LK

Source: Primary data processed (2022)

Based on the test results that can be seen in table 4.5 explains that the Adjusted R Square value obtained is 0.494 which means that all independent variables in this study are able to explain

the relationship and its effect on the dependent variable of 49.9%. and the remaining 50.1% is influenced by other variables outside the research model

**3.6. Partial Test Results (t test)**

The t test is used to determine whether the independent variables individually have an influence on the dependent variable. The following are the results of the t test obtained by the researcher.

Table 4. 6  
**Partial Test Results (t test)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
	(Constant)	3,04	2,61		
P_MUDHARABAH	.054	.085	.058	,641	,524
P_LK	,690	.088	,715	7,83	,000

a. Dependent Variable: K\_BERWIRAUSAHA  
Source: Primary data processed (2022)

Based on the significant value t shown there is tabel 4.6 above, indicating that the significant value of Understanding of the Mudharabah Financing Agreement (X1) is 0.524 which indicates that the significant value of X1 (0.524) > α (0.05) so the hypothesis is rejected which means Understanding of the Akad Mudharah Financing has no significant effect on Entrepreneurial Desire. Furthermore, the significant value of Understanding of Financial Statements (X2) is 0.00 which indicates that the significant value of X2 (0.00) < α (0.05) so that the hypothesis can be accepted which means that partially Understanding of Financial Statements has a significant effect on Entrepreneurial Desire.

Apart from looking at the significant value, the t test can also be done by comparing the tcount with ttable. This test is carried out conditionally

1. If tcount > ttable then H0 is rejected and Ha is accepted, which means that partially the independent variable has a significant effect on the dependent variable
2. If tcount < ttable then H0 is accepted and Ha is rejected, meaning that partially the independent variable has no significant effect on the dependent variable.

Based on test resultsThe coefficients or t test show that tcount understanding of financial statements (X1) is 0.641 and tcount understanding of financial statements (X2) is 7.839, while the ttable value is 2.001 which is obtained using the formula (α/2; nk-1). So based on tcount and ttable it shows that the variable X1 has a tcount (0.641) <(2.001), meaning that X1 has no significant effect on Y. Meanwhile the tcount value of X2 (7.839) > (2.001) means that variable X2 has a partially significant effect on Y.



### 3.7. Multiple Linear Regression Test Results

Multiple linear regression analysis was carried out to determine the effect of the independent variables, namely understanding of the Mudharabah Financing Agreement (X1) and Financial Statements (X2) with the dependent variable, namely Entrepreneurial Desire (Y). Based on the results of multiple linear regression tests, the regression equation is obtained as follows:

$$Y = 3.045 + 0.054 (X1) + 0.690 (X2)$$

The coefficients in the multiple linear regression equation above can be interpreted as follows:

1. The constant value in the regression equation model is 3.045, meaning that if the variables X1 and X2 are 0 then the average Y for ALKS students is 3.045%.
2. The value of the regression coefficient of the variable X1 is 0.054. This shows that if the X1 variable increases by 1% then the Y variable will increase by 0.054%. Conversely, if the X1 variable decreases by 1%, the Y variable will decrease by 0.054% assuming the other independent variables in this study are of constant value.
3. The value of the regression coefficient of variable X2 is 0.690. This shows that if the X2 variable increases by 1% then the Y variable will increase by 0.690%. Conversely, if the X2 variable decreases by 1%, the Y variable will decrease by 0.690% assuming the other independent variables in this study are of constant value.

### 3.8. Discussion

The Influence of Understanding of Mudharabah Financing Contracts and Financial Reports on Entrepreneurial Desire In order to gain confidence from the regression model in predicting the effect of the independent variable on the dependent variable, it is necessary to carry out the F test (simultaneous test) to find out whether the Entrepreneurial Desire variable is jointly influenced by the Understanding of Mudharabah Financing Contracts and Financial Statements variable in Accounting students of Islamic Financial Institutions. The results of simultaneous testing of the two variables in this study showed that the obtained Fcount was 30.744 and Ftable was 3.15 (Fcount > Ftable), and a significance value of 0.00, which means the significance value is less than 0.05. Therefore, it can be concluded that H0 is rejected and Ha is accepted, which indicates that simultaneously the independent variables X1 and X2 have a significant effect on variable Y. The magnitude of the influence of variables X1 and X2 together on variable Y is as much as 49.9% obtained from the value of the coefficient of determination (R<sup>2</sup>), while the other 50.1% is influenced by other variables outside this study. The Influence of Understanding of Mudharabah Financing Contracts on Entrepreneurial Desire. Based on the results of the partial test (t test), the significance value of Understanding of the Mudharabah Financing Agreement is 0.524 which indicates that the significance value of X1 (0.524) > α (0.05). In addition, the value of the regression coefficient is 0.054 and tcount (0.641) < ttable (2.001), so that Ha is rejected and H0 is accepted. This indicates that partially understanding of the Mudharabah Financing Contract has no effect on Entrepreneurial Desire.

The explanation above shows that until now the understanding of FinancingMudharabah does not affect students' desire to become entrepreneurs. This is in line with the research conducted by Nisa (name of researcher) which showed similar results. This is in line with the research conducted by Nisa Noor Wahid (2017). the desire of the people of Tasikmalaya to open Small and Medium Enterprises (UKM). The results of the interviews showed that there were two conditions experienced by students as research objects. First, respondents have no understanding at all about mudharabah contracts. Second, respondents have an understanding of mudharabah contracts but are not interested in entrepreneurship. In addition, respondents' understanding of financing agreements is still lacking, as well as sharia-based financing. Respondents still cannot distinguish between mudharabah and musyarakah contracts. This research is different from previous studies because the

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understanding of mudharabah contracts tends not to influence the respondents' desire to become entrepreneurs.

The Effect of Understanding on the Preparation of Financial Statements on Entrepreneurial Desire Based on the results of the partial test (t test), the significance value of Understanding of Financial Statements is 0.00, which indicates that the significance value of  $X^2 (0.00) > \alpha (0.05)$ . In addition, the value of the regression coefficient is 0.690 and the value is obtained  $t_{count} (7.839) > t_{table} (2.001)$ , so that  $H_a$  is accepted and  $H_0$  is rejected, which indicates that partially Understanding of Financial Statements influences Entrepreneurial Desire.

The explanation above shows that currently understanding the Preparation of Financial Statements still influences students' desire to become entrepreneurs. This is in line with research conducted by Diana Rachmawati (2019) which states that an understanding of financial reports influences the interest in entrepreneurship at Wijaya Kusuma University Surabaya students. This factor is also influenced by the level of understanding of students who are quite good about the technique of preparing financial reports for both large and small entities, so that students have a desire to become entrepreneurs.

#### 4. CONCLUSION

Based on the results of data processing from the study entitled "The Holistic Influence of Understanding Mudharabah Financing Contracts and Aspects of Financial Statements on Interest in Entrepreneurship in the Context of Islamic Economics", the authors make the following decisions:

1. Simultaneously, understanding of the Mudharabah Financing Contract and Financial Statements has a significant effect on the Entrepreneurial Desires of MSME actors in the city of Lhokseumawe.
2. Partially, Understanding of Mudharabah Financing Contracts does not have a significant effect on Entrepreneurial Desires, while Understanding of Financial Statements has a significant effect on Sharia-compliant Entrepreneurial Desires.
3. The relationship between independent (independent) variables, namely Understanding of Mudharabah Financing Contracts and Financial Reports on Interest in Entrepreneurship, with the dependent variable (tied), namely Desire to Entrepreneurship, has a strong relationship of 71.4%, and the ability of the independent variable (free) in explaining the dependent variable (tied) reached 49.4%.

Suggestions that can be given based on the conclusions of the research results above are:

For the Lhokseumawe State Polytechnic, especially the Department of Commerce, it is suggested to improve or add courses related to entrepreneurship so that it can increase students' interest in entrepreneurship in the future. For further research, it is recommended to add other variables besides those discussed in this study in order to provide data variation and improve the accuracy of further research.

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